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## THE SENATE STATE OF MICHIGAN

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Uncorking the truth on Michigan's direct wine shipping rights

The Supreme Court recently struck down laws in Michigan and New York that allowed in-state wineries to ship wine to consumers while banning shipments from outside the state. New York has already chosen to allow interstate direct wine shipments to its residents, joining 27 other states. Michigan must now update its laws to comply with the decision.

Michigan has a vibrant and growing wine industry that provides jobs to our residents, attracts tourists and generates economic activity. Wine production and winery tourism annually contribute \$75 million to the state's economy. Michigan's 42 wineries are popular tourist destinations, attracting more than 600,000 visitors each year. These wineries depend on their ability to sell their wines directly to consumers.

My colleagues and I have put a package of bills before the Michigan Legislature that would maintain Michigan wineries' direct wine shipping rights while protecting minors and addressing tax concerns. My bill, Senate Bill 625, along with Senate Bills 626 through 628 and House Bills 4987 through 4990 would allow a vital and growing sector of our economy to continue to create jobs and stimulate our economy. These bills preserve rights Michigan wineries and consumers have enjoyed for more than 30 years.

Some fear maintaining wineries' direct wine shipping rights will result in minors gaining new access to alcohol. This claim is simply unfounded. A study by the Federal Trade Commission found states where direct shipment of wine is allowed report few or no problems with minors purchasing alcohol online. In fact, several state officials commented that, based on their experience, minors were much more likely to buy alcohol through offline sources than over the Internet.

Interestingly, the study found that when transportation costs are included, lower-end wines are more expensive when purchased over the Internet than through retail outlets. Minors would have to pay a hefty shipping premium – from 33-83 percent – to purchase a bottle of wine costing less than \$20 online and have it delivered to them via 2nd Day Air.

At a time when Michigan's economy continues to sputter and so many sectors are struggling, we have an important choice to make: support an industry that continues to grow and thrive by preserving their direct wine shipping rights with careful regulation or cutting that industry off at the knees by taking away those rights and closing an important link between them and their customers. My legislation helps Michigan wineries maintain their rights because I believe this is the logical way to address the Supreme Court's decision.

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